

MINUTES OF MEETING OF STATE BUILDING COMMISSION

EXECUTIVE SUB-COMMITTEE

JULY 17, 2002

The State Building Commission Executive Sub-committee met this day in the Executive Conference Room, Ground Floor, State Capitol, Nashville, Tennessee, at 2:00 p.m., with the following State Building Commission Sub-committee members and departments present.

STATE BUILDING COMMISSION SUB-COMMITTEE MEMBERS PRESENT

C. Warren Neel, Commissioner, Department of Finance and Administration
Riley Darnell, Secretary of State
John Morgan, Comptroller of the Treasury

STATE BUILDING COMMISSION SUB-COMMITTEE MEMBERS ABSENT

Steve Adams, State Treasurer

OTHERS PRESENT

Mike Fitts, State Architect
Georgia Martin, Department of Finance and Administration
Larry Kirk, Department of Finance and Administration
Charles Garrett, Department of Finance and Administration
Gloria Rittenberry, Department of Finance and Administration
Mark Wood, Secretary of State's Office
Genie Whitesell, Attorney General's Office
Janie Porter, Attorney General's Office
Pat Haas, Comptroller's Office
Ann Butterworth, Comptroller's Office
Dennis Raffield, THEC
George Brummett, Department of Finance and Administration
Jerry Preston, Tennessee Board of Regents
Ken Scalf, Department of Finance and Administration
John Gregory, Tennessee Wildlife Resources Agency
Karen Hale, Comptroller's Office

Bob King, Department of Finance and Administration
Debbie Dunn, Dept of Children's Services
Paul Ensminger, Department of Agriculture
Lou Bervoets, Department of Agriculture
Carl Cobble, Department of Transportation
Tommy Hart, Department of Transportation
Jim Bryson, Department of Transportation
John Boynton, Department of Transportation
Carolyn Smith, Department of Transportation
Kathleen Williams, TN Parks & Greenways Foundation
Tom Callery, Department of Environment and Conservation
Joyce Hoyle, Department of Environment and Conservation
Jan Sylvis, Department of Finance and Administration
Bob Woolf, Department of Finance and Administration
Jim Dixey, Department of Finance and Administration
Cliff Steger, Department of Finance and Administration

Commissioner Neel called the meeting to order at 2:10 p.m. and requested action on the following matters as presented by State Architect Michael A. Fitts.

* * * * *

DEPARTMENT OF ENVIRONMENT & CONSERVATION

SPECIAL ITEM

Discussion of the purchase of Scotts Gulf Wilderness property in White County by the Tennessee Parks and Greenways Foundation.

SSC Report: 07-15-02. Mike Fitts presented the discussion of the potential future purchase of 194 +/- acres adjacent to Scott's Gulf Wilderness and introduced Kathleen Williams, Director of the Tennessee Parks and Greenways Foundation.

Ms. Williams summarized the project and advised the property is key to any linkage to Fall Creek Falls State Park and is important as an entry-point/gateway to Scott's Gulf. Ms. Williams advised that the property appraised for \$155,000 and the owner is asking \$150,000 and the option with the Foundation was exercised. She further stated the Scott's Gulf Committee will contribute \$30,000 toward the acquisition. She said the Foundation would discount the price to the State from \$150,000 to \$120,000 upon availability of funding and approval by the State. Tom Callery, agency representative, stated the transaction has not yet been before the Lands Acquisition Committee. John Gregory, TWRA, stated his agency supports the project. Larry Kirk asked if there has been any commitment from the State to acquire the property. Ms. Williams stated there is no commitment. Staff referred to Sub-committee for discussion.

SC Action: 07-17-02. Charles Garrett presented the item for discussion and introduced Kathleen Williams, Director of the Tennessee parks and Greenways Foundation. Ms. Williams summarized the transaction. John Gregory, TWRA, stated the project has not been submitted to TWRA for consideration. He stated it would be of interest to TWRA as well as Environment and Conservation. Secretary Darnell stated he was not going to object but if the Foundation purchased the property, it should be prepared to own for a long time as the State may not take it to the next step. Charles Garrett stated that, if the project was recommended for purchase by either or both agencies, it would come back at a later date. Commissioner Neel stated that in the past, the Sub-committee has asked that the Sub-committee be informed of the possibility of future purchases and that is what is being done at this time. No action was requested or taken.

DEPARTMENT OF ENVIRONMENT & CONSERVATION

LAND ITEM

Review of a request for APPROVAL of the following DISPOSAL by LEASE of interest in real property with WAIVER of ADVERTISEMENT and APPRAISALS as required by TCA 4-15-102 and 12-2-112.

Description: **Davidson County – 457.42 +/- Acres – Fronting on Shute Lane, Hermitage TN – Trans. No. 02-05-010 (LW)**

Purpose: Disposal by Lease for protection of The Hermitage, a historic site, and to allow for future growth and a more comprehensive interpretation of the site.

Term: Thirty (30) Years with (6) months cancellation by either party

Consideration: Grant – Public Benefit

Lessee: Ladies Hermitage Association

SSC Report: 06-17-02. Staff referred to Sub-committee with recommendation.

SC Action: 07-17-02. Sub-Committee approved the request as presented. Final action.

DEPARTMENT OF AGRICULTURE

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description: Hamilton County – 1,200 +/- Acres – Trans. No. 02-05-009 (CH)

Purpose: Acquisition in Fee of development rights to the Forest Legacy Program.

Source of Funding: Federal Funds – Forest Legacy Program

Estimated Cost: Pending Appraisal

Estimated Title,
Appraisal and
Survey Fees: Pending Bid

Owner(s): Jimmy Chapin

Comment: The deed to the property to be held by the TN Wildlife Resource Agency.

SSC Report: 06-17-02. Reggie Reeves summarized the transaction and the Forest Legacy Program. He stated a Forest Stewardship Program would be developed and would be managed by the TN Wildlife Resource Agency (TWRA). John Gregory, TWRA, stated the existing wildlife officers would oversee this property and there would be no growth in manpower. Staff referred to Sub-committee with recommendation.

SC Action: 07-17-02. Charles Garrett presented the transaction and introduced Paul Ensminger, agency representative. Mr. Ensminger summarized the transaction. He stated transaction is a fee acquisition of the development rights with federal funds pursuant to the Forest Legacy Program. John Gregory, TWRA, stated no additional personal or operating funds would be required, that existing TWRA officers would patrol and work the area during hunting season. Sub-committee approved the request as presented. Final action.

DEPARTMENT OF AGRICULTURE

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE as an EASEMENT, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description: **Fayette County – 103 +/- Acres – Trans. No. 02-05-004 (CH)**

Purpose: Acquisition by Easement of the development rights to the Forest Legacy Program.

Source of Funding: Federal Funds – Forest Legacy Program

Estimated Cost: Pending Appraisal

Estimated Title, Appraisal and Survey Fees: Pending Bid

Owner(s): Robert L. and Delores Farmer

Comment: The easement will be held by the Department's Division of Forestry.

SSC Report: 06-17-02. Reggie Reeves stated this property adjoins the Ames Plantation and a Stewardship Plan would be developed for management. He stated the Forestry Division would oversee the property to insure use is in accordance with the Plan. Staff referred to Sub-committee with recommendation.

SC Action: 07-17-02. Charles Garrett presented the transaction and introduced Paul Ensminger, agency representative. Mr. Ensminger summarized the transaction. He stated transaction is a fee acquisition of the development rights with federal funds pursuant to the Forest Legacy Program. John Gregory, TWRA, stated no additional personnel or operating funds would be required, that existing TWRA officers would patrol and work the area during hunting season. Secretary Darnell expressed a concern that the State would pay fair market value and only have an easement. Mr. Ensminger stated the appraisal would reflect the land value with the easement for development rights removed and only the development rights is what the State would acquire. Larry Kirk stated that one visit a year is required to ensure the property is not being developed and is being kept in a wildlife state. Sub-committee approved the request as presented. Final action.

DEPARTMENT OF AGRICULTURE

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as an EASEMENT, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description: **Fayette County – 175 +/- Acres – Trans. No. 02-05-011 (CH)**

Purpose: Acquisition by Easement of the development rights to the Forest Legacy Program.

Source of Funding: Federal Funds – Forest Legacy Program

Estimated Cost: Pending Appraisal

Estimated Title, Appraisal and Survey Fees: Pending Bid

Owner(s): Haynes McNeil

SSC Report: 06-17-02. Reggie Reeves stated this property adjoins the Ames Plantation and a Stewardship Plan would be developed for management. He stated the Forestry Division would oversee the property to insure use is in accordance with the Plan. Staff referred to Sub-committee with recommendation.

SC Action: 07-17-02. Charles Garrett presented the transaction and introduced Paul Ensminger, agency representative. Mr. Ensminger summarized the transaction. He stated transaction is a fee acquisition of the development rights with federal funds pursuant to the Forest Legacy Program. John Gregory, TWRA, stated no additional personnel or operating funds would be required, that existing TWRA officers would patrol and work the area during hunting season. Secretary Darnell expressed a concern that the State would pay fair market value and only have an easement. Mr. Ensminger stated the appraisal would reflect the land value with the easement for development rights removed and only the development rights is what the State would acquire. Larry Kirk stated that one visit a year is required to ensure the property is not being developed and is being kept in a wildlife state. Sub-committee approved the request as presented. Final action.

TENNESSEE WILDLIFE RESOURCE AGENCY

DISCUSSION ITEM

Discussion regarding billboard leases in Maury County on the old Duck River land, now known as Yanahli Wildlife Management Area.

SSC Report: 07-15-02. Charles Garrett presented the transaction for review and advised that previous Sub-committee action denied the request for disposal by lease and advised TWRA to proceed with removal of the billboards. John Gregory summarized the actions taken. He stated that notice was given to the property owner to remove the billboards within 60 days. He further advised that the TWRC is concerned about the potential of losing approximately \$160,000 or more in a local court and the Commission is asking the Sub-committee to reconsider its previous approval to allow the billboards to stay.

Staff referred to Sub-committee without recommendation, but for discussion.

SC Action: 07-17-02. Charles Garrett presented the transaction for review and discussion. Commissioner Neel asked what has happened since the action of January. John Gregory, TWRA, stated that it was questioned whether or not relocation assistance was required. Charles Garrett stated that in checking with the Attorney General and TDOT, relocation does not apply. Commissioner Neel and Secretary Darnell asked if the agency wanted billboards on its property. Larry Kirk stated TVA acquired the property with the billboards and they remained on the property without any kind of agreement and were there when the State acquired the property from TVA. Secretary Darnell stated he was not in favor of letting a lease. John Gregory stated the billboards were not a habitat issue. He stated the agency has the potential of losing hunting and fishing dollars if it went to court and they lost. He said the agency would rather make dollars through leasing space on the billboards. He stated the signs advertise local businesses in the area.

Sub-committee did not revise its previous approval and advised the agency to have the billboards removed. Final action.

TENNESSEE WILDLIFE RESOURCE AGENCY

TIGRETT WILDLIFE MANAGEMENT AREA, DYER COUNTY, TENNESSEE

- 1) Approved a project to **Demolish Billboard Structures** located on the Tigrett Wildlife Management Area in Dyer County, Tennessee.

Estimated Project Cost: **\$0.00**
SBC Project No. *220/017-01-02*

DEPARTMENT OF TRANSPORTATION

LAND ITEM

Review of a request for APPROVAL of the following DISPOSAL of interest in real property with WAIVER of ADVERTISEMENT and One (1) APPRAISAL as required by TCA 4-15-102 and 12-2-112:

Description: **Davidson County – 2.04 +/- Acres - Right-of-Way Adjacent to I-265 Ramp and Metro Center Boulevard, Nashville, TN – Trans. No. 02-06-002 (BM)**

Purpose: Disposal in Fee of surplus right-of-way to the only adjoining property owner for assemblage purposes.

Original Cost to State: \$78,000.00

Date of Original Conveyance: August 1957

Grantor Unto State: Royal Crown Bottling Co.

Estimated Sale Price: Pending Appraisal

Grantee: Saint Cecilia Congregation

SSC Report: 07-15-02. Staff referred to Sub-committee with recommendation.

SC Action: 07-17-02. Charles Garrett summarized the transaction. Sub-committee approved the transaction as requested. Final actin.

DEPARTMENT OF TRANSPORTATION

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, with WAIVER of APPRAISAL, required interest in the following real property:

Description: **Rutherford County – 27 +/- Acres Wetland Credits – Little Lake Rock Road, Eagleville, TN – Trans. No., 02-05-002 (BM)**

Purpose: Acquisition of Wetland Credits to mitigate for loss of wetlands associated with highway construction.

Source of Funding: Highway Funds

Estimated Cost: \$405,000.00 (\$15,000.00 per credit/27 credits)

Estimated Title And Survey Fees: Pending Bid

Owner(s): Harpeth Wetland Bank, LLC

SSC Report: 06-17-02. James Bryson, agency representative, summarized the project. Discussion centered around the objectives of wetland credits and the status of the Bank as a for-profit LLC. Staff requested additional information regarding the principals in the Bank and the Bank's status as a non-profit organization. Staff referred to Sub-committee for discussion.

SC Report: 07-17-02. Charles Garrett presented the transaction for review and discussion and introduced Tommy Hart, Deputy Commissioner, Department of Transportation. Mr. Hart advised that the Bank is a for-profit LLC. Discussion centered around the need for the State to begin its own wetland bank. John Gregory stated a bank is currently being developed in the Dyer County area. Larry Kirk advised that a bank would need to be in the same watershed area. After review and discussion, Sub-committee approved the transaction as requested. Final action.

DEPARTMENT OF TRANSPORTATION

REGION 3

- 1) Mr. Fitts presented a request for approval of a project and acknowledgment of the source of funding to **Renovate the I-65 Scales** in Robertson County, with design and construction by Department of Transportation with plans to be approved by the State Architect. He reminded the Committee that the SBC had referred the request to them with authority to act, with the stipulation that they inform the Speakers of their decision before action was taken. Deputy Commissioner Tommy Hart distributed a handout addressing a detailed cost breakdown for the scales project. Secretary Darnell said he would like to see comparison figures from other states. Comptroller Morgan made a motion to approve the request, subject to that information being provided to Commissioner Neel and subject to Commissioner Neel's approval after informing the Speakers of the Subcommittee's intended action. The motion was seconded and passed without objection.

Estimated Project Cost: **\$4,660,000.00**
SBC Project No. *243/020-01-02*

- 2) Mr. Fitts presented a request for approval of a project and acknowledgment of the source of funding to **Renovate the I-24 Scales** in Coffee County, with design and construction by Department of Transportation with plans to be approved by the State Architect. He reminded the Committee that the SBC had referred the request to them with authority to act, with the stipulation that they inform the Speakers of their decision before action is taken. Deputy Commissioner Tommy Hart distributed a handout addressing a detailed cost breakdown for the scales project. Secretary Darnell said he would like to see comparison figures from another state. Comptroller Morgan made a motion to approve the request, subject to that information being provided to Commissioner Neel and subject to Commissioner Neel's approval after informing the Speakers of the Subcommittee's intended action. The motion was seconded and passed without objection.

Estimated Project Cost: **\$10,560,000.00**
SBC Project No. *242/010-01-02*

DEPARTMENT OF CHILDREN'S SERVICES

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property as required by TCA 12-2-115:

Location: **Jackson County – 745 South Grundy Quarles Hwy., Gainesboro, TN – Trans. No. 02-03-931 (JS)**

Purpose: To provide office and related space for local operations

Term: April 1, 2003 thru March 31, 2013 (10 yrs.)

Proposed Amount: 6,000 Square Feet

Annual Contract Rent:	\$51,000.00	@ \$ 8.50/sf
Est. Annual Utility Cost:	\$ 8,400.00	@ \$ 1.40/sf
Est. Annual Janitorial Cost:	<u>\$ 6,600.00</u>	<u>@ \$ 1.10/sf</u>
Total Annual Effective Cost:	\$66,000.00	@ \$11.00/sf

Current Amount: 850 Square Feet

Annual Contract Rent		
Incl. Utility & Janitorial Cost:	<u>\$7,650.00</u>	<u>@ \$9.00/sf</u>
Total Annual Effective Cost:	\$7,650.00	@ \$9.00/sf

Type: New Lease – Advertisement – Only Proposal

FRF Rate: \$10.25 Per Square Foot

Lessor: Paul Gaw, GP – Current Lessor

Comment: The proposed lease provides that the Lessor will 1) construct a 6,000 square foot office building including interior tenant improvements at no additional cost to the State and 2) no cancellation during the first (5) years of the lease term except for cause and/or funding and 180 days notice thereafter.

SSC Report: 07-15-02. Staff referred to Sub-committee with recommendation.

SC Action: 07-17-02. Charles Garrett presented the transaction for review and approval. Sub-committee approved the request as presented. Final action.

TENNESSEE BOARD OF REGENTS

LAND ITEM

Review of a request for APPROVAL of the following LAND EXCHANGE in real property with WAIVER of ADVERTISEMENT and APPROVAL to DEMOLISH Structures at 817 College Street, as required by TCA 4-15-102 and 12-2-112:

Description: **Montgomery County – Austin Peay State University, Clarksville, TN – Trans. No. 02-05-012 (LW)**

Purpose: Land Exchange to provide parking in close proximity to the new science building.

- 1) 214 University Avenue – State Property for
- 2) 817 College Street, G. W. Austin property

Original Cost to State: \$109,800

Date of Original
Conveyance: April 1999

Grantor Unto State: Curtis and Marsha A. Johnson

Estimated Sale
Price: Pending Appraisals

Grantee: G. W. Austin

SSC Report: 06-17-02. Jerry Preston summarized the transaction. Staff referred to Sub-Committee with recommendation.

SC Action: 07-17-02. Charles Garrett presented the transaction for review and approval. Sub-committee approved the request as presented. Final action.

TENNESSEE BOARD OF REGENTS

LAND ITEM

Review of a request to REVISE PREVIOUS APPROVAL of the following DISPOSAL of interest in real property as required by TCA 4-15-102 and 12-2-112.

Description: **Montgomery County – 1.61 +/- Acres and Improvement – Dunbar Cave Road, Clarksville, TN – Trans. No. 01-03-007 (GM)**

Purpose: Disposal in Fee of Austin Peay State University's President's residence.

Original Cost
to State: \$124,500.00

Date of Original
Conveyance: August 1980

Grantor unto State: Doug and Susan Porter

Estimated
Sale Price: \$185,000.00 – Appraised Value
\$175,000.00 – Ireland's offer

Grantee: Lewis and Ouida Ireland

SSC Report: 05-14-01. Referred to Sub-Committee for consent agenda.

SC Action: 05-21-01. Approved the transaction as presented. Final action.

Comment: Previous Sub-Committee action of May 21, 2001 approved disposal by advertisement at appraised value. The property was advertised with the due date of December 12, 2001. No bids were received. An offer of \$175,000.00 has been received from Lewis and Ouida Ireland and the agency requests approval to transfer to the Irelands in the amount of the written offer that is less than appraised value.

SSC Report: 06-17-02. Jerry Preston summarized the transaction. He stated the University placed signs in front of the residence and had several showings of the home. He stated the only offer received was from the Ireland's and requested approval to accept their offer of \$175,000.00. Staff referred to Sub-committee with recommendation.

SC Action: 07-17-02. Charles Garrett presented the transaction for review and approval. Sub-committee approved the request as presented. Final action.

TENNESSEE BOARD OF REGENTS

UNIVERSITY OF MEMPHIS, MEMPHIS, TENNESSEE

- 1) Approved a request for a revision in the source of funding from for **Athletic Training Center Addition and Renovation** at the University of Memphis in Memphis, Tennessee.

Estimated Project Cost: \$5,600,000.00

SBC Project No. 166/007-01-97

MIDDLE TENNESSEE STATE UNIVERSITY, MURFREESBORO, TENNESSEE

- 1) Approved a request to reallocate the budget on a project for **Sports Museum** at Middle Tennessee State University, Murfreesboro, Tennessee.

Estimated Project Cost: \$1,000,000.00

SBC Project No. 166/009-02-02

STATEWIDE

- 1) Mr. Fitts presented a request for approval to allocate \$1,000,000 for **Management Assistance** for systemwide Tennessee Board of Regents facilities. Action on this item was coupled with Department of Finance and Administration's request, which is recorded on the following page.

SBC Project No. 166/000-02-99

DEPARTMENT OF FINANCE AND ADMINISTRATION

STATEWIDE

- 1) Mr. Fitts presented a request for approval to exercise the option to extend the master contract and approval to allocate \$1,000,000.00 for **Management Assistance** for facilities statewide to Department of Finance and Administration and allocate \$1,000,000 for Management Assistance for systemwide Tennessee Board of Regents facilities. Secretary Darnell sated that he was prepared to vote for a one-year extension, not two. Comptroller Morgan said he was of the same mind. He said he wished they could explore bringing people in-house and paying them what it costs for this expertise. He added that they would have to pay market rate. He said he would like to look at a one-year extension. Larry Kirk stated that they would lose flexibility if the contract was not extended. Jerry Preston was recognized and stated that the management assistance contract allowed them, when they were in trouble, to immediately put tactical expertise on the project, such as computer expertise, etc. Comptroller Morgan suggested that they extend the contract for one year, allocate monies as requested and conduct an evaluation within six months. Without objection, Comptroller Morgan's suggestion was approved.

SBC Project Nos. **529/000-01-99**
 166/000-02-99

UNIVERSITY OF TENNESSEE HEALTH SCIENCES CENTER AT MEMPHIS, TN

- 1) Approved a request for a revision in funding from \$225,000.00 to \$430,000.00 (\$205,000.00 increase) of a project for **Dobbs Building Elevator Improvements** at the University of Tennessee Health Sciences Center, and authorization to award a contract to Wagner General Contractors in the amount of \$351,300.00, based on bids received May 30, 2002.

Revised Estimated Project Cost: \$430,000.00
SBC Project No. 540/013-04-97

NATIONAL GUARD ARMORY, JOHNSON CITY, TENNESSEE

- 1) Approved a request for a revision in the source of funding of a project for **OMS/AMSA Addition** at the National Guard Armory, Johnson City, Tennessee.

Estimated Project Cost: \$4,054,671.97
SBC Project No. 361/043-02-96

STATE BUILDING COMMISSION

MINUTES OF MEETING OF STATE BUILDING COMMISSION

- 1) Approved the Minutes of the State Building Commission Executive Sub-committee meeting held on May 20, 2002.

* * * * *

Following approval of the consent agenda, the meeting adjourned at 3:00 p.m.

CONSENT AGENDA

Approved the following real property transactions that have been reviewed and recommended for approval by Sub-committee staff:

- A. Agency: **TN Board of Regents – Cumberland County**
Trans.: Disposal by Easement with Right-of-Entry
Provision: Waiver of Advertisement and Appraisals
- B. Agency: **TN Wildlife Resource Agency – Anderson County**
Trans.: One (1) Appraisal
- C. Agency: **TN Wildlife Resource Agency – Coffee County**
Trans.: Equal Value Exchange
Provision: Waiver of One (1) Appraisal and Advertisement
- D. Agency: **TN Wildlife Resource Agency – Maury County**
Trans.: Disposal in Fee
Provision: Waiver of Advertisement and Appraisals
- E. Agency: **Department of Children's Services – Shelby County**
Trans.: Lease Agreement
- F. Agency: **Department of Children's Services – Weakley County**
Trans.: Lease Agreement
- G. Agency: **Department of Children's Services – Hamilton County**
Trans.: Lease Agreement
- H. Agency: **Finance & Administration – Lawrence County**
Trans.: Lease Agreement – Human Services & Children's Services
- I. Agency: **Finance & Administration – Sullivan County**
Trans.: Lease Agreement – Human Services & Children's Services
- J. Agency: **Finance & Administration – Carter County**
Trans.: Lease Agreement – Human Services & Children's Services
- K. Agency: **Finance & Administration – Hawkins County**
Trans.: Lease Agreement – Human Services & Children's Services
- L. Agency: **Secretary of State – Weakley County**
Trans.: Lease Agreement
Provision: Waiver of Advertisement

- M. Agency: **TN Wildlife Resource Agency – Coffee County**
 Trans. Acquisition in Fee
- N. Agency: **General Services – Davidson County**
 Trans.: Lease Agreement
- O. Agency: **Human Services – Washington County**
 Trans.: Lease Agreement
- P. Agency: **Human Services & Children's Services – Greene County**
 Trans.: Lease Agreement
- Q. Agency: **Human Services & Children's Services – Blount County**
 Trans.: Lease Agreement

A.

TENNESSEE BOARD OF REGENTS

LAND ITEM

Review of a request for APPROVAL of the following DISPOSAL by EASEMENT of interest in real property with WAIVER of ADVERTISEMENT and APPRAISALS and APPROVAL of a RIGHT-OF-ENTRY as required by TCA 4-15-102 and 12-2-112.

Description: Cumberland County – 0.66 +/- Acres – Tennessee Technology Center at Crossville, Crossville, TN – Trans. No. 02-05-005 (GM)

Purpose: Disposal by Easement of (1) permanent easement and (2) temporary construction easements for installation of a 16" waterline to serve a new industrial park.

Estimated Sale Price: Grant – Public Benefit

Grantee: City of Crossville, TN

SSC Report: 06-17-02. Referred to Sub-committee for consent agenda.

SC Action: 07-17-02. Approved the transaction as presented. Final action.

B.

TENNESSEE WILDLIFE RESOURCE AGENCY

LAND ITEM

Review of a request for APPROVAL of ONE (1) APPRAISAL as required by TCA 4-15-102 and 12-2-112.

Description: **Anderson County – 0.75 +/- Acres – Peach Orchard Road Boat Ramp to Clinch River – Trans. No. 02-03-013 (GM)**

Purpose: Disposal by Easement to provide access easement to the adjoining landowners whose access is landlocked by guardrail and pumping station.

Estimated Sale Price: Pending Appraisal

Grantee: Kite, Cooper, and McCracken – Adjoining landowners

SSC Report: 06-17-02. After review and discussion, Staff referred to Sub-committee for consent agenda for one (1) appraisal only.

SC Action: 07-17-02. Approved the transaction as presented. Final action.

C.

TENNESSEE WILDLIFE RESOURCE AGENCY

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE EQUAL VALUE EXCHANGE, in the following real property, with WAIVER of ONE (1) APPRAISAL as required by TCA 12-2-112:

Description: Coffee County – 0.25 +/- Acres Equal Value Exchange – Bark Camp Barrens – Trans. No. 01-08-008 (CH)

Purpose: Equal Value Exchange of State property with the adjoining property owner.

Source of Funding: Third Party

Estimated Cost: Pending Appraisal

Estimated Title, Appraisal and Survey Fees: Pending Bid

Owner(s): Bobby and Debra Brinkley

SSC Report: 09-17-01. Referred to Sub-Committee for consent agenda.

SC Action: 09-24-01. Sub-Committee approved the transaction as presented. Final Action.

Comment: 06-05-02. Review of a request to REVISE PREVIOUS APPROVAL to include WAIVER of ADVERTISEMENT for Exchange of the State's property:

SSC Report: 06-17-02. Staff referred to Sub-committee for consent agenda for approval of the Waiver of Advertisement request.

SC Action: 07-17-02. Approved the transaction as presented. Final action.

TENNESSEE WILDLIFE RESOURCE AGENCY

LAND ITEM

Review of a request for **APPROVAL** of the following **DISPOSAL** of interest in real property with **WAIVER of ADVERTISEMENT and APPRAISALS** as required by TCA 4-15-102 and 12-2-112:

Description: **Maury County – 400 +/- Feet – Haskins Road off Scribner's Mill Road – Trans. No. 02-05-003 (CH)**

Purpose: Disposal in Fee of Haskins Road to the County for maintenance and ownership.

Original Cost to State: \$0.00 (Part of Duck River transfer to State)

Date of Original
Conveyance: August 2001

Grantor Unto State: Tennessee Valley Authority

Estimated Sale
Price: Grant – Public Benefit

Grantee: Maury County

Comment: Several private residences are located along this road. It is appropriate that the County provide services. The County will maintain the road and will relieve the agency of that responsibility. This property transfer would not impact agency programs.

SSC Report: 06-17-02. Referred to Sub-committee for consent agenda.

SC Action: 07-17-02. Approved the transaction as presented. Final action.

DEPARTMENT OF CHILDREN'S SERVICES

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property as required by TCA 12-2-115:

Location: **Shelby County – 1407 Union Avenue, Memphis, TN – Trans. No. 02-01-920**

Purpose: To provide office and related space for area operations of the Memphis and Shelby County Community Service Agency

Term: June 1, 2002 thru May 31, 2007 (5 yrs.)

Proposed Amount: 19,699 Square Feet
Annual Contract Rent Incl.
Utility and Janitorial Cost: \$253,022.00 @ \$12.84/sf
Total Annual Effective Cost: \$253,022.00 @ \$12.84/sf

Current Amount: 19,699 Square Feet
Annual Contract Rent Incl.
Utility & Janitorial Cost: \$226,270.80 @ \$11.48/sf
Total Annual Effective Cost: \$226,270.80 @ \$11.48/sf

Type: New Lease – Advertisement – Lowest/Only Proposal

FRF Rate: \$16.00 Per Square Foot – Central Business District

Lessor: Royal MMT – Current Lessor

Comment: The proposed lease provides the MSCCSA will reimburse Lessor, as additional rent, increases in real estate taxes over calendar year 2002 and operating costs limited to five (5) percent beginning in calendar year of 2002.

SSC Report: 05-13-02. Staff deferred pending additional information.

SSC Report: 06-17-02. Bob King summarized the transaction and Staff referred to Sub-committee for consent agenda.

SC Action: 07-17-02. Approved the transaction as presented. Final action.

DEPARTMENT OF CHILDREN'S SERVICES

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property as required by TCA 12-2-115:

Location: **Weakley County – East Capitol Drive & State Route 22, Dresden, TN – Trans. No. 01-12-908 (TH)**

Purpose: To provide office and related space for the Department's regional operations

Term: July 1, 2003 thru June 30, 2008 (5 yrs.)

Proposed Amount:	<u>10,500 Square Feet</u>		
	Annual Contract Rent:	\$ 97,900.00	@ \$ 9.32/sf
	Est. Annual Utility Cost:	\$ 14,700.00	@ \$ 1.40/sf
	Est. Annual Janitorial Cost:	\$ 11,550.00	@ \$ 1.10/sf
	Total Annual Effective Cost:	\$124,150.00	@ \$11.82/sf

Current Amount:	<u>3,773 Square Feet</u>		
	Annual Contract Rent:	\$19,525.00	@ \$5.17/sf
	Est. Annual Utility Cost:	\$ 5,282.20	@ \$1.40/sf
	Est. Annual Janitorial Cost:	\$ 4,150.30	@ \$1.10/sf
	Total Annual Effective Cost:	\$28,957.50	@ \$7.67/sf

Type: New Lease – Advertisement – Lowest Proposal from (3) Proposers

FRF Rate: \$10.25 Per Square Foot

Lessor: Jerrold Don Pedigo

Comment: The proposed lease provides the Lessor will 1) construct a 10,500 square foot office building including interior tenant improvements at no additional cost to the State, 2) no cancellation during the entire term of the lease term except for cause and/or funding, and 3) an Option to Purchase during the lease term.

SSC Report: 06-17-02. Referred to Sub-committee for consent agenda.

SC Action: 07-17-02. Approved the transaction as presented. Final action.

DEPARTMENT OF CHILDREN'S SERVICES

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property as required by TCA 12-2-115:

Location: **Hamilton County – 744 McCalle Avenue, Chattanooga, TN – Trans. No. 02-03-934 (JS)**

Purpose: To provide office and related space for local operations

Term: August 1, 2002 thru July 31, 2007 (5 yrs.)

Proposed Amount:	<u>6,085 Square Feet</u>		
	Annual Contract Rent Incl.		
	Utility and Janitorial Cost:	<u>\$53,244.00</u>	<u>@ \$8.75/sf</u>
	Total Annual Effective Cost:	<u>\$53,244.00</u>	<u>@ \$8.75/sf</u>

Current Amount: None – New Positions

Type: Inter-Agency Agreement – Negotiated

FRF Rate: \$16.00 Per Square Foot

Lessor: University of Tennessee at Chattanooga (UTC)

Comment: The proposed agreement provides the UTC will make improvements to the space at no additional cost to the State

SSC Report: 06-17-02. Referred to Sub-committee for consent agenda.

SC Action: 07-17-02. Approved the transaction as presented. Final action.

DEPARTMENT OF FINANCE & ADMINISTRATION

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property as required by TCA 12-2-115:

Location: **Lawrence County -- 237-241 East Taylor Street, Lawrenceburg, TN -- Trans. No. 99-12-903 (RS)**

Purpose: To provide office and related space for the Departments of Human Services and Children's Services.

Term: March 1, 2003 thru February 28, 2008 (5 yrs.)

Proposed Amount: **11,600 Square Feet**
Annual Contract Rent Incl.
Utility Cost: \$79,020.00 @\$6.81/sf
Est. Annual Janitorial Cost: \$12,760.00 @\$1.10/sf
Total Annual Effective Cost: \$91,780.00 @\$7.91/sf

Current Amount: **6,300 Square Feet**
Annual Contract Rent: \$39,786.00 @\$6.32/sf
Est. Annual Utility Cost: \$ 8,820.00 @\$1.40/sf
Est. Annual Janitorial Cost: \$ 6,930.00 @\$1.10/sf
Total Annual Effective Cost: \$55,536.00 @\$8.82/sf

Type: New Lease -- Advertisement -- Lowest/Acceptable Proposal from (2) Proposers

FRF Rate: \$10.25 Per Square Foot

Lessor: Lloyd Carroll -- Current Lessor

Comment: The proposed lease provides that the Lessor will construct a 1,000 square foot addition to connect two (2) existing buildings including interior tenant build-out at no additional cost to the State. Further, the Lessor shall perform improvements and repairs to the existing facilities at no additional cost to the State, however, the State reserves the right to, and shall contract for hire, any items not completed by Lessor within (90) days after receipt of a fully executed lease and shall receive reimbursement by withholding of future monthly rent until its full cost is recovered.

Department of Finance and Administration – continued:

SSC Report: 06-17-02. Bob Bumbalough, Human Services, raised concern as to conditions being addressed in the lease regarding the existing facilities. Charles Garrett assured that concerns have been addressed in the lease. Staff referred to Sub-committee for consent agenda.

SC Action: 07-17-02. Approved the transaction as presented. Final action.

I.

DEPARTMENT OF FINANCE & ADMINISTRATION

LEASE AGREEMENT

Review of a request for **APPROVAL** of the following **LEASE AGREEMENT** for the rental of real property as required by TCA 12-2-115:

Location: **Sullivan County – 2193 Feathers Chapel Road, Bristol, TN – Trans. No. 01-04-935 (JS)**

Purpose: To provide office and related space for the Departments of Human Services and Children's Services

Term: June 1, 2003 thru May 31, 2013 (10 yrs.)

Proposed Amount:	<u>12,779 Square Feet</u>		
	Annual Contract Rent:	\$117,564.00	@ \$ 9.20/sf
	Est. Annual Utility Cost:	\$ 17,890.60	@ \$ 1.40/sf
	Est. Annual Janitorial Cost:	<u>\$ 14,056.90</u>	<u>@ \$ 1.10/sf</u>
	Total Annual Effective Cost:	\$149,511.50	@ \$11.70/sf

Current Amount:	<u>7,821 Square Feet</u>		
	Annual Contract Rent:	\$68,718.00	@ \$ 8.78/sf
	Est. Annual Utility Cost:	\$10,949.40	@ \$ 1.40/sf
	Est. Annual Janitorial Cost:	<u>\$ 8,603.10</u>	<u>@ \$ 1.10/sf</u>
	Total Annual Effective Cost:	\$88,270.50	@ \$11.28/sf

Type: New Lease – Advertisement – Lowest of (5) Proposals from (5) Proposers

FRF Rate: \$10.25 Per Square Foot

Lessor: David K. Quillen

Comment: The proposed lease provides that the Lessor will 1) construct a 12,770 office building including interior tenant improvements at no additional cost to the State, 2) no cancellation during the first five years of the lease term except for cause and/or funding, and 3) and State's Option to Purchase during the lease term.

SSC Report: 06-17-02. Referred to Sub-committee for consent agenda.

SC Action: 07-17-02. Approved the transaction as presented. Final action.

DEPARTMENT OF FINANCE & ADMINISTRATION

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property as required by TCA 12-2-115:

Location: **Carter County – 206 Cherokee Park Drive, Elizabethton, TN – Trans. No. 01-04-903 (JS)**

Purpose: To provide office and related space for the Departments of Human Services and Children's Services

Term: May 1, 2003 thru April 30, 2013 (10 yrs.)

Proposed Amount:	<u>13,000 Square Feet</u>		
	Annual Contract Rent:	\$ 99,000.00	@ \$ 7.61/sf
	Est. Annual Utility Cost:	\$ 18,200.00	@ \$ 1.40/sf
	Est. Annual Janitorial Cost:	<u>\$ 14,300.00</u>	<u>@ \$ 1.10/sf</u>
	Total Annual Effective Cost:	\$131,500.00	@ \$10.11/sf

Current Amount:	<u>8,118 Square Feet</u>		
	Annual Contract Rent:	\$50,755.57	@ \$6.25/sf
	Est. Annual Utility Cost:	\$11,365.20	@ \$1.40/sf
	Est. Annual Janitorial Cost:	<u>\$ 8,929.80</u>	<u>@ \$1.10/sf</u>
	Total Annual Effective Cost:	\$71,050.56	@ \$8.75/sf

Type: New Lease – Advertisement – Lowest Conforming Proposal of (5) proposals from (4) Proposers

FRF Rate: \$10.25 Per Square Foot

Lessor: Kathleen Glover

Comment: The proposed lease provides the Lessor will 1) construct a 13,000 square foot office building including interior tenant improvements at no additional cost to the State and 2) provides for no cancellation during the first (5) years of the lease term except for cause and/or funding and 180 days notice thereafter.

SSC Report: 06-17-02. Referred to Sub-committee for consent agenda.

SC Action: 07-17-02. Approved the transaction as presented. Final action.

K.

DEPARTMENT OF FINANCE & ADMINISTRATION

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property as required by TCA 12-2-115:

Location: **Hawkins County – 4017 Highway 66 South, Rogersville, TN – Trans. No. 01-11-906 (JS)**

Purpose: To provide office and related space for the Departments of Human Services and Children's Services

Term: July 1, 2003 thru June 30, 2013 (10 yrs.)

Proposed Amount:	<u>17,600 Square Feet</u>		
	Annual Contract Rent:	\$118,605.00	@\$6.73/sf
	Est. Annual Utility Cost:	\$ 24,640.00	@\$1.40/sf
	Est. Annual Janitorial Cost:	<u>\$ 19,360.00</u>	<u>@\$1.10/sf</u>
	Total Annual Effective Cost:	\$162,605.00	@\$9.23/sf

Current Amount:	<u>14,600 Square Feet (2 Locations)</u>		
	Avg. Annual Contract Rent:	\$ 96,725.04	@\$6.63/sf
	Est. Annual Utility Cost:	\$ 20,440.00	@\$1.40/sf
	Est. Annual Janitorial Cost:	<u>\$ 16,060.00</u>	<u>@\$1.10/sf</u>
	Ave. Total Ann. Effective Cost:	\$133,225.04	@\$9.13/sf

Type: New Lease – Advertisement – Lowest of (12) Proposals from (3) Proposers

FRF Rate: \$10.25 Per Square Foot

Lessor: Hawkins County Development Co., Inc. – Current Lessor

Comment: The proposed lease provides the Lessor will 1) construct a 3,000 addition to Suite 1 including interior tenant improvements at no additional cost to the State, 2) improvements and upgrade to Suite 14 at no additional cost to the State, and 3) no cancellation during the first five years of the lease term except for cause and/or funding and 180 days notice thereafter.

SSC Report: 06-17-02. Referred to Sub-committee for consent agenda.

SC Action: 07-17-02. Approved the transaction as presented. Final action.

SECRETARY OF STATE

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property and WAIVER of ADVERTISEMENT as required by TCA 12-2-115:

Location: Weakley County – 736 Elm Street, Martin, TN – Trans. No. 02-05-921 (EN)

Purpose: To provide office, library and related space for the Reelfoot Regional Library

Term: August 1, 2002 thru July 31, 2007 (5 yrs.)

Proposed Amount:	<u>5,000 Square Feet</u>		
	Annual Contract Rent:	\$10,500.00	@\$2.10/sf
	Est. Annual Utility Cost:	\$ 7,000.00	@\$1.40/sf
	Est. Annual Janitorial Cost:	<u>\$ 5,500.00</u>	<u>@\$1.10/sf</u>
	Total Annual Effective Cost:	\$23,000.00	@\$4.60/sf

Current Amount:	<u>5,000 Square Feet</u>		
	Annual Contract Rent:	\$10,500.00	@\$2.10/sf
	Est. Annual Utility Cost:	\$ 7,000.00	@\$1.40/sf
	Est. Annual Janitorial Cost:	<u>\$ 5,500.00</u>	<u>@\$1.10/sf</u>
	Total Annual Effective Cost:	\$23,000.00	@\$4.60/sf

Type: Renewal - Negotiated

FRF Rate: \$10.25 Per Square Foot

Lessor: Dominick DeSantis – Current Lessor

Comment: The proposed lease provides the Lessor will 1) make improvements and repairs to the lease space and the State will reimburse for cost of the work upon receipt of an itemized invoice and approved by the State and 2) the State will reimburse Lessor for any increases in property taxes with calendar year 2002 as the base year upon receipt of documentation and approval of the State.

SSC Report: 06-17-02. Referred to Sub-committee for consent agenda.

SC Action: 07-17-02. Approved the transaction as presented. Final action.

TN WILDLIFE RESOURCE AGENCY

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description: **Coffee County – 5.0 +/- Acres – Trans. No. 02-04-013 (CH)**

Purpose: Acquisition in Fee for protection of the Barrens Topminnow, an endangered species, found in only two locations in Tennessee.

Source of Funding: \$1,000.00 – Operating Funds
\$3,000.00 – Federal Endangered Species Funds

Estimated Cost: Pending Appraisal

Estimated Title,
Appraisal and
Survey Fees: Pending Bid

Owner(s): Alan Howard

SSC Report: 05-13-02. John Gregory stated sources of funds are in place. Staff deferred action due to budget concerns.

SSC Report: 06-17-02. Staff referred to Sub-committee for discussion pending agency's request to delay for a month. Subsequent to Staff Sub-committee meeting, the agency requested deferral for another month.

SSC Report: 07-15-02. John Gregory confirmed that the sources of funding are in place. Staff referred to Sub-committee for consent agenda.

SC Action: 07-17-02. Approved the transaction as presented. Final action.

DEPARTMENT OF GENERAL SERVICES

LEASE AGREEMENT

Review of a request for **APPROVAL** of the following **LEASE AGREEMENT** for the rental of real property as required by TCA 12-2-115:

Location: **Davidson County – 843 Cowan Street, Nashville, TN – Trans. No. 02-02-926 (JS)**

Purpose: To provide office/shop/warehouse space for the Division of Records Management

Term: October 1, 2002 thru September 30, 2007 (5 yrs.)

Proposed Amount:	<u>31,511 Square Feet</u>		
	Avg. Annual Contract Rent:	\$132,661.31	@\$4.21/sf
	Est. Annual Utility Cost:	\$ 34,662.10	@\$1.10/sf
	Est. Annual Janitorial Cost:	<u>\$ 34,662.10</u>	<u>@\$1.10/sf</u>
	Avg. Total Ann. Effective Cost:	\$201,985.51	@\$6.41/sf

Current Amount:	<u>31,511 Square Feet</u>		
	Annual Contract Rent:	\$126,989.33	@\$4.03/sf
	Est. Annual Utility Cost:	\$ 34,662.10	@\$1.10/sf
	Est. Annual Janitorial Cost:	<u>\$ 34,662.10</u>	<u>@\$1.10/sf</u>
	Total Annual Effective Cost:	\$196,313.53	@\$6.23/sf

Type: New Lease – Advertisement – Only Proposal

FRF Rate: \$6.50 Per Square Foot – Office/Warehouse

Lessor: CI Partners, LLC – Current Lessor

Comment: The proposed lease provides the Lessor will provide water and sewer utilities at no additional cost to the State.

SSC Report: 07-15-02. Referred to Sub-committee for consent agenda.

SC Action: 07-17-02. Approved the transaction as presented. Final action.

DEPARTMENT OF HUMAN SERVICES

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property as required by TCA 12-2-115:

Location: Washington County – 903-907 Buffalo Street, Johnson City, TN – Trans. No. 02-02-914 (JS)

Purpose: To provide office and related space for operations of the Department's District Office.

Term: October 1, 2002 thru September 30, 2012 (10 yrs.)

Proposed Amount:	<u>15,974 Square Feet</u>		
	Avg. Annual Contract Rent:	\$100,312.50	@\$6.28/sf
	Est. Annual Utility Cost:	\$ 22,363.60	@\$1.40/sf
	Est. Annual Janitorial Cost:	<u>\$ 17,571.40</u>	<u>@\$1.10/sf</u>
	Avg. Total Ann. Effective Cost:	\$140,247.50	@\$8.78/sf

Current Amount:	<u>15,974 Square Feet</u>		
	Annual Contract Rent:	\$ 91,850.52	@\$5.75/sf
	Est. Annual Utility Cost:	\$ 22,363.60	@\$1.40/sf
	Est. Annual Janitorial Cost:	<u>\$ 17,571.40</u>	<u>@\$1.10/sf</u>
	Total Annual Effective Cost:	\$131,785.52	@\$8.25/sf

Type: New Lease – Advertisement – Lowest of (3) Proposals from (1) Proposer

FRF Rate: \$13.50 Per Square Foot

Lessor: John G. Love & Etta M. Love – Current Lessor

Comment: The proposed lease provides will 1) make improvements at no additional cost to the State, 2) no cancellation during the first five years of the lease term except for cause and/or lack of funding and 180 days notice thereafter and 3) the State's Option to Purchase.

SSC Report: 07-15-02. Referred to Sub-committee for consent agenda.

SC Action: 07-17-02. Approved the transaction as presented. Final action.

DEPARTMENT OF FINANCE & ADMINISTRATION

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property as required by TCA 12-2-115:

Location: **Greene County – 128 Serral Drive, Greeneville, TN – Trans. No. 02-03-905 (JS)**

Purpose: To provide office and related space for the Departments of Human Services and Children's Services

Term: June 1, 2003 thru May 31, 2013 (10 yrs.)

Proposed Amount:	<u>15,500 Square Feet</u>		
	Annual Contract Rent:	\$126,170.04	@ \$ 8.14/sf
	Est. Annual Utility Cost:	\$ 21,700.00	@ \$ 1.40/sf
	Est. Annual Janitorial Cost:	<u>\$ 17,050.00</u>	<u>@ \$ 1.10/sf</u>
	Total Annual Effective Cost:	\$164,920.04	@ \$10.64/sf

Current Amount:	<u>8,600 Square Feet</u>		
	Annual Contract Rent:	\$72,000.00	@ \$ 8.37/sf
	Est. Annual Utility Cost:	\$12,040.00	@ \$ 1.40/sf
	Est. Annual Janitorial Cost:	<u>\$ 9,460.00</u>	<u>@ \$ 1.10/sf</u>
	Total Annual Effective Cost:	\$93,500.00	@ \$10.87/sf

Type: New Lease – Advertisement – Lowest of (14) Proposals from (3) Proposers

FRF Rate: \$10.25 Per Square Foot

Lessor: William L. and Shirley J. Wilson – Current Lessor

Comment: The proposed lease provides the Lessor will (1) construct a 6,900 square foot addition to the current location and make improvements and upgrade to the existing space at no additional cost to the State and (2) no cancellation during the first five years of the lease term except for cause and/or funding and 180 days notice thereafter.

SSC Report: 07-15-02. Referred to Sub-committee to consent agenda.

SC Action: 07-17-02. Approved the transaction as presented. Final action.

DEPARTMENT OF FINANCE & ADMINISTRATION

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property as required by TCA 12-2-115:

Location: **Blount County – 303 Home Avenue, Maryville, TN – Trans. No. 01-12-905 (JS)**

Purpose: To provide office and related space for the Departments of Human Services and Children's Services

Term: September 1, 2003 thru August 31, 2013 (10 yrs.)

Proposed Amount:	<u>18,500 Square Feet</u>		
	Avg. Annual Contract Rent:	\$149,000.00	@ \$ 8.05/sf
	Est. Annual Utility Cost:	\$ 25,900.00	@ \$ 1.40/sf
	Est. Annual Janitorial Cost:	<u>\$ 20,350.00</u>	<u>@ \$ 1.10/sf</u>
	Avg. Total Ann. Effective Cost:	\$195,250.00	@ \$10.55/sf

Current Amount:	<u>11,560 Square Feet</u>		
	Annual Contract Rent:	\$ 72,600.00	@ \$ 6.28/sf
	Est. Annual Utility Cost:	\$ 16,184.00	@ \$ 1.40/sf
	Est. Annual Janitorial Cost:	<u>\$ 12,716.00</u>	<u>@ \$ 1.10/sf</u>
	Total Annual Effective Cost:	\$101,500.00	@ \$ 8.78/sf

Type: New Lease – Advertisement – Lowest of (10) Proposals from (2) Proposers

FRF Rate: \$13.50 Per Square Foot

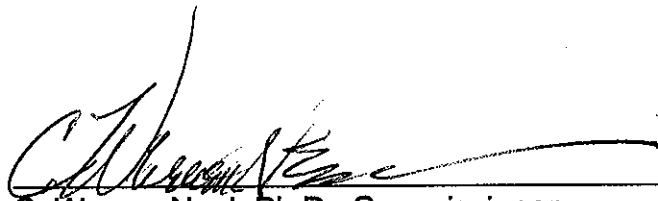
Lessor: Ben R. Long and Arthur Henry – Current Lessor

Comment: The proposed lease provides the Lessor will (1) construct a 6,940 square foot addition to the current location and make improvements and upgrade to the existing space at no additional cost to the State and (2) no cancellation during the first five years of the lease term except for cause and/or funding and 180 days notice thereafter.

SSC Report: 07-15-02. Referred to Sub-committee for consent agenda.

SC Action: 07-17-02. Approved the transaction as presented. Final action.

APPROVED BY:



C. Warren Neel, Ph.D., Commissioner
Department of Finance and Administration